

Memorandum

To : Ms. Cynthia Bridges
Executive Director (MIC 73)

Date: May 29, 2014

From : Jeffrey L. McGuire, Deputy Director
Sales and Use Tax Department (MIC 43)

Susanne Buehler for Jeffrey L. McGuire

Subject : **Board Meeting June 24-26, 2014**
Item N: Administrative Agenda
Proposed Revisions to Audit Manual, Chapter 4, *General Audit Procedures*

In accordance with the established procedures for audit and compliance manual revisions, I am submitting proposed revisions to Audit Manual (AM) Chapter 4, *General Audit Procedures*.

The proposed revisions, which incorporate current policies and procedures have been reviewed and approved by SUTD management, provided to Board Members, and posted at <http://www.boe.ca.gov/sutax/pmr.htm> to solicit comments from interested parties. No comments were received from interested parties or Board Members with regard to these revisions.

The revisions are attached for your reference. We request your approval to forward them to the Board Proceedings Division for placement on the Administrative Agenda as a consent item at the June 2014 meeting.

If you have any questions, please let me know or contact Ms. Susanne Buehler at 324-1825.

JLM:ljm
Attachment

Approved:

STATE BOARD OF EQUALIZATION



BOARD APPROVED

At the June 24, 2014 Board Meeting

Joann Richmond
Joann Richmond, Chief
Board Proceedings Division

Cynthia Bridges
Ms. Cynthia Bridges
Executive Director

cc: (all with attachment)

Mr. Wayne Mashihara (MIC 46)

Ms. Susanne Buehler (MIC 92)

Mr. Kevin Hanks (MIC 49)

INTRODUCTION

0401.00

FORM BOE-1164 ~~AND FORM BOE-1032~~ 0401.20

The auditor should prepare Form BOE-1164, *Audit Memorandum of Possible Tax Liability*, (Exhibit 2) ~~or Form BOE-1032, Information on Out of State Retailers (Exhibit 3)~~ in appropriate circumstances (AM section 0408.18). The information on ~~these~~ this forms is valuable in audit selection and may aid in disclosing tax that may otherwise remain unreported. Therefore, the importance of preparing ~~these~~ this forms cannot be overemphasized. For information on the use of Form BOE-1164 ~~and Form BOE-1032~~, see AM sections 0408.18 ~~and 0408.22~~.

The auditor should also be alert for activity in other business taxes for which the taxpayer may not have a permit. See AM sections 0205.51, 0205.53, 0205.55, 0205.56, and 0205.57.

Confidentiality of Form BOE-1164 ~~and Form BOE-1032~~ Information. Current policy allows copies of Form BOE-1164 ~~and Form BOE-1032~~ to be released to a taxpayer if the confidential information about another taxpayer is redacted. Thus, seller information must be redacted when the form is provided to the buyer, and buyer information must be redacted when the form is provided to the seller. Any invoices that are attached to Form BOE-1164 ~~or Form BOE-1032~~ must also be redacted to remove confidential information.

The information to be redacted includes any information which might lead to the discovery of confidential taxpayer information such as the taxpayer's name, permit number, purchase order number, invoice number, dollar amount of purchase, or comments.

PROGRAMMING – AUDIT SURVEY

0403.00

STARTING AN ASSIGNMENT — GENERAL

0403.05

Generally, an assignment should be started only after proper arrangements have been made in advance. In rare instances, it may be desirable to start an assignment without notifying the taxpayer, as in the case of a surprise investigation of a person suspected of fraudulent reporting practices.

If the necessary records are located in an area handled by another district or branch office, the audit assignment normally should be transferred to that district or branch office along with Form BOE-579, [Audit Assignment Transfer](#). This form should be accompanied by a fact sheet setting forth as much pertinent information as is available, including any audit memoranda that will assist the receiving office in completing the case. The auditor's supervisor may, in unusual circumstances, arrange for the auditor to conduct the audit at the other location.

TRANSFERRING AN AUDIT TO ANOTHER DISTRICT

0403.07

[When transferring an audit to another district, the auditor should prepare a new audit case using the Excel Audit Program. Although, it is not required to start a new case, it is recommended since forms such as the BOE-122, *Waiver of Limitation*, must be prepared in Start21, Form BOE-579 must be completed, and an electronic copy of the transcripts downloaded and saved. The auditor may prepare an audit transfer folder \(transfer folder\) without creating a new audit case folder, however, all forms and supporting documentation must be included in the transfer folder.](#)

[Rename the audit transfer folder as follows:](#)

Audit Transfer Folder	
Naming Format	District Code_Case Number_Taxpayer Name_BOE 579 to District
Example	EA_54321_ABCO_BOE 579 to AA

[When sending a transfer folder to another district, the office designator used to name all electronic forms and folders should reference the district of account. Save Form BOE-579 in the transfer folder. It can be created in Start21, but a separate copy must be saved in the *Forms* subfolder.](#)

[The following forms, if available, must be completed, signed, scanned, or saved in the *Forms* subfolder using the appropriate naming convention as described in Audit Manual section 0302.00:](#)

- [BOE-122, *Waiver of Limitation*](#)
- [BOE-392, *Power of Attorney*](#)
- [BOE-80RU, *Record Update*](#)
- [BOE-101, *Claim for Refund or Credit*](#)

- BOE-82, *Authorization for Electronic Transmission of Data*
- BOE-414Z, *Assignment Activity History*
- BOE-414M, *Electronic Transcript of Returns*
- Transfer Letter
- Any additional documents

Once the transfer folder has been prepared including all required documents, the auditor will cut and paste the transfer folder to the audit control inbox and notify their audit supervisor of the pending audit transfer. The audit supervisor will then review the transfer folder for completeness and notify Audit Control of the pending audit transfer.

Generally, Audit Control updates IRIS for comments, hours, and transfers; enters "Y" for digital audits on the AUD MC screen; transfers the electronic 414Z to the receiving district; and completes any other IRIS or audit transfer functions. Once all tasks are complete, district staff (generally Audit Control) cuts and pastes the transfer folder from the Audit Control Inbox into the *Transfer Documents to Other Districts* folder for the receiving district (generally located on the district J:\ drive above the Audit Control Inbox).

District staff will send an email to the receiving district notifying them of the pending audit transfer. After the audit has been transferred, the office making the audit uses its own designator for the audit case folder and files.

PURCHASES SUBJECT TO SALES OR USE TAX

0408.00

ASSERTION OF USE TAX ON LEASES

0408.17

In general, use tax will only be asserted against the lessor since it is difficult to determine from the lessee's records whether the lease is a "sale" under the Sales and Use Tax Law. Therefore, a review of the lessor's records is necessary to determine if any tax liability exists. In addition, such a procedure insures that lessors have a proper permit ~~are properly permitized~~ and are reporting the tax. Whenever the audit of a lessee reveals that tax has not been collected by the lessor, and the auditor cannot determine that tax was properly due, an audit memorandum (Form BOE-1164 ~~or Form BOE-1032~~) should be prepared and sent to the lessor's district. The auditor should not assert tax against the lessee.

An exception to the above general policy is that tax may be assessed against the lessee if the lessor is located out-of-state ~~and does not have a California seller's permit~~, and the property being leased is not mobile transportation equipment (MTE). If tax is assessed, Form BOE-1164 ~~or Form BOE-1032~~ should be sent to the lessor's district showing the amount of tax assessed and the applicable periods.

As a note, the California Sales and Use Tax Law does not provide an exemption from sales or use tax for sales made to California governmental agencies. (RTC section 6005). This provision also applies to out-of-state sellers and lessors who make sales or leases to California governmental agencies. In such case, the registered out-of-state retailer should collect and report the California use tax.

USE OF FORM BOE-1164,

AUDIT MEMORANDUM OF POSSIBLE TAX LIABILITY

0408.20-18

In the examination of purchase invoices, the auditor frequently notices that the California vendor did not charge sales tax on some or all of the invoices issued, and the purchaser did not issue a purchase order marked "for resale" or a resale certificate to the vendor. The nature of the merchandise will sometimes be sufficient evidence to indicate that a resale certificate, if timely given, was not taken in good faith; e.g., where a retail jewelry store purchased janitorial supplies or a service station purchases a commercial type hydraulic jack. If in doubt, and the amount involved is substantial, the auditor may contact the vendor to determine whether the vendor holds a valid resale certificate. In the event the vendor does not have a valid resale certificate, the tax should not be determined against the purchaser unless the sale occurred outside of California or is otherwise a transaction subject to use tax. Rather, Form BOE-1164 should be prepared setting forth the pertinent facts about the transaction. This form, along with any supporting documents, will be used as the basis for investigation.

The auditor should also prepare Form BOE-1164 if in the examination of sales invoices, the auditor finds that the seller did not charge tax and has accepted a properly executed resale or exemption certificate in good faith and the auditor questions whether the buyer has in fact purchased the merchandise for resale or in fact an exemption applies. The auditor should mark the block "Seller has valid (resale)

(exemption) certificate from buyer on file.” The auditor must also ~~attach~~ include a ~~photocopy~~ of that certificate ~~to~~ with the Form BOE-1164.

The auditor should also prepare Form BOE-1164 where it is determined that a vendor is improperly computing tax on its invoices. For example:

- ~~May~~ Is not ~~be~~-charging tax.
- Charges tax on repair labor or other exempt items.
- Does not charge tax on fabrication labor, trade-ins, or other components of the sale which should be included in the measure of the tax.

Unsupported sales for resale to Mexican merchants which are discovered during audits of California sellers should be disallowed against the seller (see Publication 32, *Tax Tips for Sales to Purchasers from Mexico*, for an explanation of the Mexican merchant program). However, the auditor should prepare Form BOE-1164 for such sales. The form should identify the purchaser and describe the merchandise purchased. The completed form should be sent to the San Diego District Office for its information in monitoring and administering the Mexican merchant program and taking possible action against any merchants who abuse the program (AM section 0409.50).

See AM section 0401.20 for information on confidentiality of Form BOE-1164, ~~and AM section 0213.03 for distribution of this form.~~

~~USE OF FORM BOE-1032,~~ Information On Out-Of-State Retailers **0408.22-19**

Out-of-state retailers “engaged in business in this state” are required to register and collect use tax on taxable sales made to consumers in this state. ~~A retailer is engaged in business in this state if it has any representative, agent, sales person, canvasser, independent contractor or solicitor operating in this state, either under the authority of the retailer or that of a subsidiary, for the purpose of selling, delivering, installing, assembling or taking of orders for any tangible personal property in California.~~ RTC section 6203 provides that “retailer engaged in business in this state” specifically includes, but is not limited to, any of the following:

- Any retailer maintaining, occupying, or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.
- Any retailer having any representative, agent, salesperson, canvasser, independent contractor, or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering, installing, assembling, or the taking of orders for any tangible personal property.
- As respects a lease, any retailer deriving rentals from a lease of tangible personal property situated in this state.
- Any retailer that is a member of a commonly controlled group, as defined in section 25105, and is a member of a combined reporting group, as defined in paragraph (3) of subdivision (b) of section 25106.5 of Title 18 of the California Code of Regulations, that includes another member of the retailer's commonly controlled group that, pursuant to an agreement with or in cooperation with the retailer, performs services in this state in connection with tangible personal

property to be sold by the retailer, including, but not limited to, design and development of tangible personal property sold by the retailer, or the solicitation of sales of tangible personal property on behalf of the retailer.

- Any retailer entering into an agreement or agreements under which a person or persons in this state, for a commission or other consideration, directly or indirectly refer potential purchasers of tangible personal property to the retailer, whether by an Internet-based link or an Internet Web site, or otherwise, provided that certain conditions are met.

Auditors should be alert to recognizing and reporting interstate retail sales by persons who are not collecting the tax. When an auditor discovers that a taxpayer is making taxable purchases from an unregistered out-of-state vendor without tax, the auditor should advise Out-of-State District Compliance, using Form BOE-~~1032-1164~~ (Exhibit ~~32~~). ~~If the vendor is registered, the proper form to use is Form BOE-1164 and not Form BOE-1032.~~

Form BOE-~~1032-1164~~ is helpful in the proper registration of out-of-state vendors who are engaged in business in California. A separate Form BOE-~~1032-1164~~ must be prepared for each vendor. It is incorrect to attach a schedule for all vendors to one Form BOE-~~1032-1164~~. The ~~purchaser's~~ buyer's and out-of-state retailer's information must be completed on all Form BOE-~~1032s-1164s~~ along with all other information. However, copies of invoices and a schedule listing all invoices can be attached to Form BOE-~~1032-1164~~ for each vendor instead of preparing multiple Form BOE-~~1032s-1164s~~ for each of the vendor's invoices. It is emphasized that a copy of the invoice and schedule of purchases may not serve as a substitute for completing the actual Form BOE-~~1032-1164~~ (except for invoice date, number, and item description, and amount of use tax reported or included in audit). Additionally, it is stressed that a copy of the invoice and copy of the paid bill schedule is the best information to attach to the Form BOE-~~1032-1164~~. Auditors must make sure the complete address, including the zip code, is noted on Form BOE-~~1032-1164~~. Without a complete mailing address, it is extremely time consuming and often impossible for Out-of-State District Compliance to properly identify the vendor for correspondence regarding possible registration.

Analysis of purchases from out-of-state retailers may develop information that will lead not only to the registration of out-of-state businesses, but to the possibility of additional tax liability on the part of those who are registered. Attention should be given to volume purchases of small items as well as to purchases of large items. (Sales made by sellers in contiguous states deserve more attention since their volume of business in California is generally extensive.) Reports on sales made to businesses in the food processing, entertainment, and service industries merit special attention since these types of business may not be required to hold a seller's permit and use tax due from such businesses may not come to the Board's attention.

Information required on Form BOE-~~1032-1164~~ for out-of-state retailers includes:

- a. Name and address of out-~~of~~-state retailer.
- b. Name and address of sales representative.
- c. Name and address of customer.

- d. Invoice number.
- e. Date of invoice.
- f. Amount of invoice.
- g. Description of property sold.
- h. How sale was solicited.
- i. Any other relevant information concerning seller, sales representative, scope of sales, etc.

In completing Form BOE-~~1032~~1164 for out-of-state retailers, the importance of items (a), (b), (h) and (i) cannot be over emphasized. This information should be obtained, if at all possible, in order to enable Out-of-State District Compliance to determine whether an out-of-state retailer should, in fact, be registered despite a contention made that it is not “engaged in business” in the state.

BOE-1164 FILE AND FOLDER NAMES**0408.20**

Use the following naming convention for BOE-1164s:

To District Code_Vendor/Purchaser or Account Number_Audit Case #_BOE-1164
(If no account number type in the Vendor/Purchaser Name)

The audit case number refers to the case from which the lead was generated. This is needed in the folder name since there may be cases where a district may send two separate BOE-1164s for the same vendor/purchaser. Without a unique designator in the filename such as an audit case ID, Windows will over-write the previous folder.

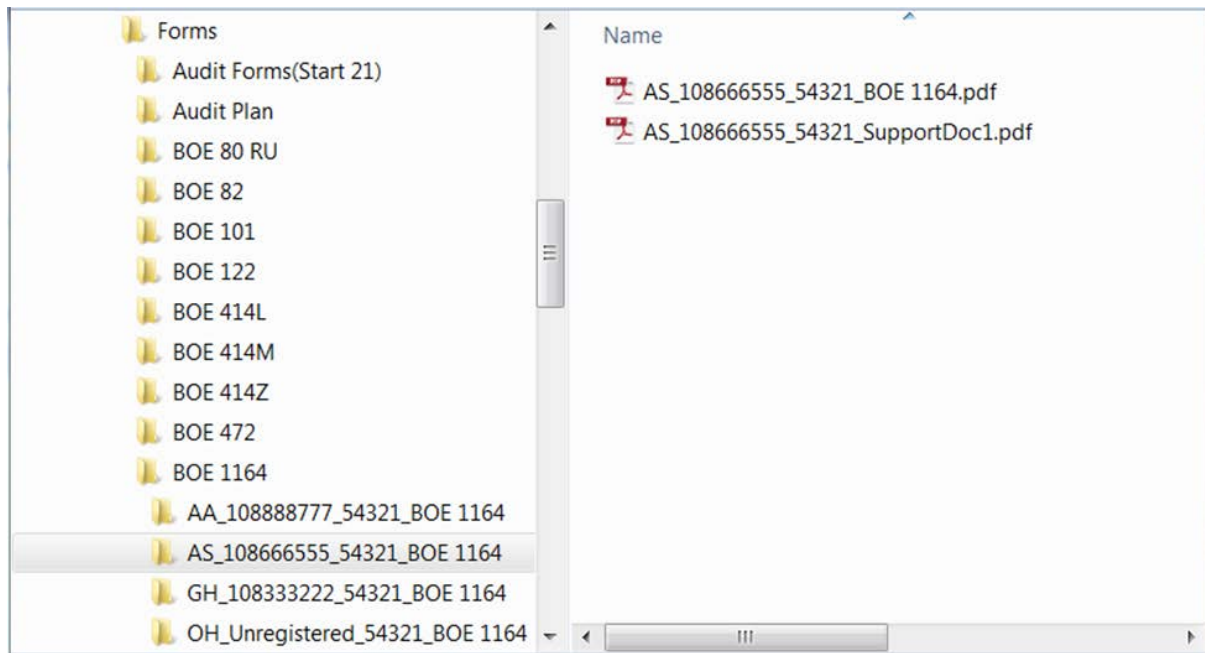
A folder and file need to be created for each vendor/purchaser under the subfolder of BOE-1164. Copies of the invoices and supporting documentation should also be included and saved as a file. Supporting documents can be scanned in one file instead of separate files. See examples below.

BOE 1164 – If the vendor/seller has a seller's permit with BOE

<u>Filename</u>	<u>Description</u>
<u>AS_013987654_54321_BOE 1164.pdf</u> (This is the actual 1164)	<u>Only one sheet is required for each vendor.</u>
<u>AS_013987654_54321_SupportDoc1.(xls or pdf)</u> (supporting document)	<u>A filtered listing of the transactions by vendor from the audit work papers is acceptable.</u>
<u>AS_013987654_54321_SupportDoc2.(xls or pdf)</u> (supporting document)	<u>Scanned resale cards, invoices etc. if needed.</u>

BOE 1164 – If the vendor/seller does not have a seller's permit with BOE

<u>Filename</u>	<u>Description</u>
<u>AS_ZYXW_54321_BOE 1164.pdf</u> (This is the actual 1164)	<u>Only one sheet is required for each vendor.</u>
<u>AS_ZYXW_54321_SupportDoc1.(xls or pdf)</u> (supporting document)	<u>A filtered listing of the transactions by vendor from the audit work papers is acceptable.</u>
<u>AS_ZYXW_54321_SupportDoc2.(xls or pdf)</u> (supporting document)	<u>Scanned resale cards, invoices etc. if needed</u>



BOE-1164s For Unregistered Out-of-State Retailers

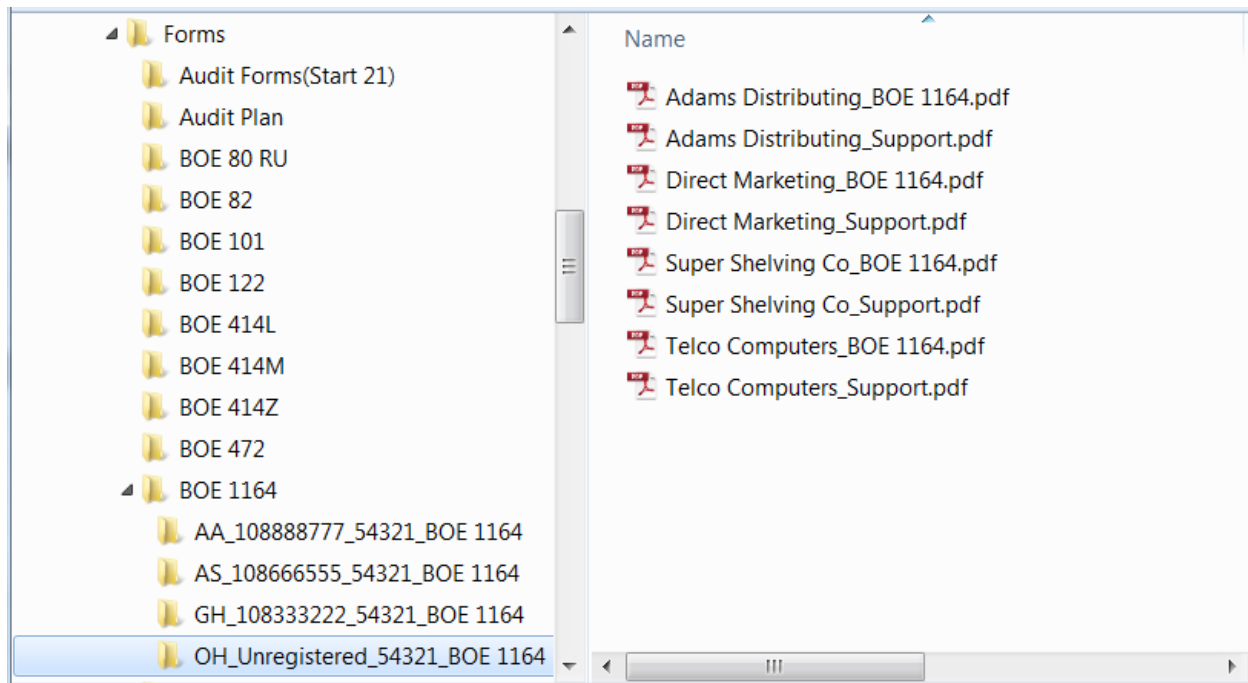
BOE-1164s prepared for unregistered out-of-state vendors will be placed in a separate folder with the following name:

OH Unregistered Audit Case # BOE 1164

A copy of each completed form BOE-1164 and supporting documentation will be placed in the OH_Unregistered_Audit Case #_BOE 1164 folder using the following name:

Vendor Name BOE 1164

Vendor Name Support



The Excel Audit Program has a feature that allows auditors to print all BOE-1164s into an Access database which in turn can be converted into one PDF file. While this feature is beneficial in creating a batch of BOE-1164s all at once, a separate PDF is required for each BOE-1164 form. This allows the Out-of-State compliance staff to import each BOE-1164 into a database for ease of reference. Auditors may use the Excel Audit Program to generate all BOE-1164s, however they must use the Print-to-PDF feature to isolate each BOE-1164 form into a separate PDF. This requirement also applies to supporting documentation such as purchase invoices.

*****Please Note:** All BOE-1164s for unregistered out-of-state retailers must be in PDF format. Because the database used to maintain these files cannot upload Excel files, ~~therefore~~ no Excel files should be provided to OH.

PROCESSING THE BOE-1164

0408.21

When the audit is complete, either the district reviewer or audit control will forward all BOE-1164s to the appropriate *Transfer Documents to Other Districts* folder located on the J:\ drive.

All BOE-1164s for unregistered out-of-state retailers go to the *OH_Unregistered_1164* folder only. If the out-of-state retailer is registered and has a permit number, a regular BOE-1164 should be prepared and forwarded to the appropriate out-of-state office.

Copies of the BOE-1164s are not to be retained in the audit case folder. These files should be deleted when sent to the appropriate office. It will be the district office's responsibility to process and distribute incoming BOE-1164s. The files may be left in the *Transfer Documents to Other Districts* folder, however it is recommended that a separate folder be created on the district drive to store incoming BOE-1164s that have not been processed or distributed.

COOPERATIVE AUDITS

0442.00

RESPONSIBILITIES OF THE CONTROLLING DISTRICT OFFICE

0442.02

The controlling district office assigns a portion of an audit or a related audit to cooperating district offices, consolidates the findings and transmits the completed interdistrict cooperative audit to ADRS. In addition, the controlling district office is responsible for the following:

1. Audit Control moves the cooperative district's audit workpaper folder to the appropriate auditor's Go-Back folder and notifies the auditor and supervisor that the cooperative audit workpaper folder is ready.
- 1.2. General review to verify that the cooperating district offices followed the procedures outlined and made their respective portion of the audit in a consistent and uniform manner.
3. Completion of the final Form BOE-204, *Interdistrict Cooperative Audit — Audit Verification*.
4. Conducting an exit conference to discuss consolidated audit findings.
5. Transmittal of the completed audit to ADRS.

Instructions to cooperating district offices should contain sufficient detail to ensure all phases of an audit are handled uniformly and for the same audit period. The anticipated degree of difficulty or complexity of an audit must be taken into account when providing cooperating district offices such instructions.

Assignments to cooperating district offices are electronically transmitted ~~by using~~ Form BOE-204. Form BOE-204 should include specific instructions, including the following information:

1. A brief description of the taxpayer's operations.
2. The name and phone number of the person to be contacted at the taxpayer's office.
3. Audit procedures that have been or will be performed by the controlling or cooperating district offices.
4. Specific verification instructions, such as test periods. The cooperating district office should follow these instructions unless there is a compelling reason why this cannot be done. When the cooperating district office finds that any of the instructions are not appropriate, it should discuss alternatives with the controlling district office.
5. Informative matter that may pertain to unusual transactions, such as areas of potential error. This may include information on the taxability of fixtures and equipment when the audit is a close-out, selling prices, type of clientele, etc.
6. Information pertaining to Form BOE-122, Waiver of Limitation.

RESPONSIBILITIES OF THE COOPERATING DISTRICT OFFICE

0442.04

A cooperating district office will give priority to requests from a controlling district. It must follow the specific instructions as expeditiously as possible. Any significant deviations must be discussed with the controlling district. In addition, the cooperating district office is responsible for the following:

1. ~~1.~~ Discussion of the audit findings with the local representative of the taxpayer, with electronic copies of AWP's provided to the representative.
2. ~~2.~~ Initiating the email approval chain in Outlook when the cooperative audit is complete. (See Chapter 2, section 0213.06 for instructions).
3. ~~3.~~ Review of the work assigned to and completed by the cooperating district office. It is the responsibility of the cooperating district office reviewer to ensure that the partial audit is accurate and complete in the same manner as a completed audit report. The reviewer should also ascertain that the partial audit was completed as instructed by the controlling district office.
4. Preparation of Form BOE-204 (include Auditor ID, Class, Name and hours).
5. After the audit is reviewed, placing the audit workpapers in a subfolder with the following name:
District Code Case Id Taxpayer Name Coop AWP's
6. Placing the above subfolder in the controlling district's folder located within the Transfer Documents to Other Districts folder located on the J:\drive.
47. E-mail notification to controlling district's Audit Control ~~of that~~ the completed cooperative audit workpaper folder is ready to be retrieved.

Interdistrict AWP's must conform to procedures set forth in AM Chapter 3, *Audit Working Papers*. In addition, the AWP's must include a summary of differences established by each cooperating district office and the letters identifying the district office must precede the index on the AWP's.

FORM BOE-1164 – AUDIT MEMORANDUM OF POSSIBLE TAX LIABILITY

EXHIBIT 2

BOE-1164 REV. 15 (4-12)

AUDIT MEMORANDUM OF POSSIBLE TAX LIABILITY

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

TO _____ <div style="text-align: right;">— Auditing</div>	FROM _____ <div style="text-align: right;">— Auditing</div>
<input type="checkbox"/> BUYER'S — FILE	<input type="checkbox"/> SELLER'S — FILE
ACCOUNT NO. _____	ACCOUNT NO. _____
NAME _____	NAME _____
STREET _____	STREET _____
CITY _____ STATE/ZIP CODE _____	CITY _____ STATE/ZIP CODE _____
PHONE () _____	PHONE () _____
	WEB ADDRESS _____

NOTE: Check one or more blocks as appropriate and choose applicable word(s) from drop-down fields.

Records of the buyer show the following questioned transactions:

- ☐ Tax assessed in audit of buyer Period _____ to _____
- ☐ Seller has valid resale certificate from buyer on file (*attach copy of certificate to BOE-1164*)
- ☐ Buyer states that resale certificate was given
- ☐ Resale certificate was issued by the buyer for tools and supplies
- ☐ Sales tax was remitted to seller when paying the indicated ex-tax invoices
- ☐ Tax was not added on the invoice(s)
- ☐ Unregistered out-of-state retailer (*attach copy of invoice to BOE-1164*)
- ☐ Other (*describe*) _____

ATTACH COPIES OF INVOICES OR SCHEDULE ITEMS BELOW

Date	Invoice No.	Purchase Order No.	Amount	Description of Merchandise	Shipped From

☐ See attached invoices and/or schedule.

Above listing covers ☐ Period _____ to _____ ☐ Sample Listing

COMMENTS AND RECOMMENDATIONS

AUDITOR _____	AUDITOR PHONE () _____	DATE _____
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(References: Audit Manual sections 0401.20 and 0408.20)

GENERAL AUDIT PROCEDURES

FORM BOE-1164 — AUDIT MEMORANDUM
OF POSSIBLE TAX LIABILITY

EXHIBIT 2

BOE-1164 REV. 13 (10-03)

AUDIT MEMORANDUM OF POSSIBLE TAX LIABILITY

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

TO _____		FROM _____	
— Auditing		— Auditing	
<input type="checkbox"/> BUYER'S — FILE		<input type="checkbox"/> SELLER'S — FILE	
ACCOUNT NO. _____		ACCOUNT NO. _____	
NAME _____		NAME _____	
STREET _____		STREET _____	
CITY _____	STATE/ZIP CODE _____	CITY _____	STATE/ZIP CODE _____
PHONE () _____		PHONE () _____	

 Exhibit to be Deleted --
 Replaced with Updated
 Version

NOTE: Check one or more blocks as appropriate and line out inapplicable words in parenthesis.

Records of the (buyer) (seller) show the following questioned transactions:

- ☐ Tax assessed in audit of (buyer) (seller) Period _____ to _____
- ☐ Seller has valid (resale) (exemption) certificate from buyer on file (*Attach photocopy of certificate to BOE-1164*)
- ☐ (Buyer) (Seller) states that a (resale) (exemption) certificate (was) (was not) given
- ☐ (Resale) (Exemption) certificate was issued by the buyer for tools and supplies
- ☐ (Sales) (Use) tax was remitted to seller when paying the indicated ex-tax invoices
- ☐ Tax (not added) (incorrectly computed)
- ☐ Other (*describe*) _____

ATTACH COPIES OF INVOICES OR SCHEDULE ITEMS BELOW

Date	Invoice No.	Purchase Order No.	Amount	Description of Merchandise	Shipped From

☐ See attached invoices and/or schedule.Above listing covers ☐ Period

to

☐ Sample Listing

COMMENTS AND RECOMMENDATIONS

AUDITOR _____	AUDITOR PHONE () _____	DATE _____
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Prepare in duplicate and give original to supervisor. Duplicate to be retained with audit. (Refer to A.M. Sections 0401.20 and 0408.20)

FORM BOE-1032 — INFORMATION ON OUT-OF-STATE RETAILERS

EXHIBIT 3

BOE-1032 REV. 5 (2-03)

INFORMATION ON OUT-OF-STATE RETAILERS

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

TO: Out-of-State Compliance

Date _____

SUBMITTED BY: District Office _____

Auditor _____ Auditor Phone _____

Short Form Option:

- ☐ (Check this box and attach a copy of the invoice in lieu of completing the entire 1032 form. However, please complete items 3 and 8 if known, and check the appropriate box on line 6(b).)

1. Out-of-State Retailer (or buyer)

Name _____

DBA _____

Street _____

City, State and Zip _____

Phone Number _____

2. Purchaser (or buyer)

Name _____

Account Number _____

Street _____

City _____

Phone Number _____

3. Sales Representative (who solicited sale)

Name _____

Account Number _____

Address _____

City and State _____

4. Date of Invoice _____

5. Invoice Number _____

6(a). Amount of Purchase (attach copy of invoice) _____

6(b). Use Tax Paid by Purchaser or Included in Audit Yes ☐ No ☐

7. Description of Property Sold _____

8. How Sale Was Solicited _____

9. Other Information _____

All items should be completed.
(Refer to A.M. Section 0408.22)